GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4861
ANSWERED ON:16.12.2016
Investment by EPFO
Muddahanumegowda Shri S.P.

Will the Minister of FINANCE be pleased to state:

â€ 4861. Shri S.P. Muddahanume Gowda:

Will the Minister of FINANCE be pleased to state:

(a) whether the Employees Provident Fund Organisation (EPFO) has started investing five per cent of its incremental inflows in stocks;
(b) if so, the details thereof;
(c) whether the Government proposes to create a large pool of domestic institutional funds to counter volatility due to sudden spike in inflows and withdrawal by foreign investors; and
(d) if so, the details thereof ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ARJUN RAM MEGHWAL)

(a)to(d): Employees Provident Fund Organisation (EPFO) had started investing five percent of its incremental inflows in Exchange Traded Funds (ETF) based on Nifty 50 and Sensex Indices.
This 5% allocation to ETF has been enhanced to 10% vide Ministry of Labour order F. No. G-20031/2/2016-SS.II dated 19th September 2016.

The total investment in ETF is Rs. 10,483.81 crores as on 30th November 2016.

The Central Board of Trustees has decided to invest in Exchange Traded Fund (ETF) only. The purpose of this investment by EPFO is for maximizing its earnings on investment.